PACIFICORP
A MIDAMERICAN ENERGY HOLDINGS COMPANY

July 14, 2006

VIA ELECTRONIC FILING
AND OVERNIGHT DELIVERY

Ms. Carole J. Washburn
Executive Secretary
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive SW
Olympia, WA 98504-7250

RE: PacifiCorp's Annual Reliability Report

Dear Ms. Washburn:

Enclosed for filing are an original and two (2) copies of PacifiCorp's Annual Reliability Report, in compliance with WAC 480-100-398. An electronic copy of the filing will also be sent to the Commission's record center.

Communications regarding this petition should be addressed to:

Melissa Seymour
Manager, Regulation
PacifiCorp
825 NE Multnomah, Suite 300
Portland, OR 97232
Melissa.seymour@pacificorp.com

Natalie Hocken
Assistant General Counsel
PacifiCorp
825 NE Multnomah, Suite 1800
Portland, OR 97232
Natalie.Hocken@PacifiCorp.com

In addition, PacifiCorp requests that all data requests regarding this petition be addressed to:

By E-mail (preferred):	datarequest@pacificorp.com
By Facisimile:	(503) 813-6060
By Regular Mail:	Data Request Response Center PacifiCorp 825 NE Multnomah, Suite 300 Portland, OR 97232

Please direct any informal questions to Heide Caswell at (503) 813-6216. Thank you.

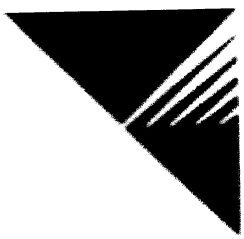
Respectfully,

Andrea L. Kelly

Andrea L. Kelly
Vice President, Regulation

Enclosures

cc: Graciela Etchart



PACIFICORP

A MIDAMERICAN ENERGY HOLDINGS COMPANY

WASHINGTON

SERVICE QUALITY

REVIEW

FY 2006

(April 1, 2005 – March 31, 2006)

Report

TABLE OF CONTENTS

EXECUTIVE SUMMARY

PacifiCorp has a Service Standards Program which is comprised of a number of Customer Service[1] and Performance Standards. Regular status reports regarding this program's performance are provided both internally and externally. These reports detail measures of performance that are reflective of PacifiCorp's reliability in service delivery (both personnel and the network's performance) to its customers. The Company developed these measures after evaluating company and industry standards and practices for delivering, collecting and reporting performance data. In certain cases, the Company chose to adopt a level of performance higher than the norm within the industry. In other cases, PacifiCorp developed metrics and targets based upon its history of delivery of these measures. The measures are useful in evaluating historical performance and in setting future targets for performance.

In UE-042131, the Company applied and was approved to extend the core program through March 31, 2008. During the MidAmerican acquisition of PacifiCorp, in UE-051090, the program[2] was extended again through 2011.

1 Service Standards Program Summary

Effective April 1, 2005 through March 31, 2008

1.1 PacifiCorp Customer Guarantees

Customer Guarantee 1: Restoring Supply After an Outage	The Company will restore supply after an outage within 24 hours of notification with certain exceptions as described in Rule 25.
Customer Guarantee 2: Appointments	The Company will keep mutually agreed upon appointments which will be scheduled within a two-hour time window.
Customer Guarantee 3: Switching on Power	The Company will switch on power within 24 hours of the customer or applicant's request, provided no construction is required, all government inspections are met and communicated to the Company and required payments are made. Disconnection for nonpayment, subterfuge or theft/diversion of service are excluded.
Customer Guarantee 4: Estimates For New Supply	The Company will provide an estimate for new supply to the applicant or customer within 15 working days after the initial meeting and all necessary information is provided to the Company.
Customer Guarantee 5:	The Company will respond to most billing

[1] Customer Service Standards are intended to address individual customer transaction performance, while Performance Standards are intended to address system-level performance, such as for the average PacifiCorp Washington customer.

[2] Commitment 45 states that "MEHC and PacifiCorp commit to continue customer service guarantees and performance standards as established in each jurisdiction, provided that MEHC and PacifiCorp reserve the right to request modifications of the guarantees and standards after March 31, 2008, and the right to request termination (as well as modification) of one or more guarantees or standards after 2011. The guarantees and standards will not be eliminated or modified without Commission approval."

Respond To Billing Inquiries	inquiries at the time of the initial contact. For those that require further investigation, the Company will investigate and respond to the Customer within 10 working days.
Customer Guarantee 6: Resolving Meter Problems	The Company will investigate and respond to reported problems with a meter or conduct a meter test and report results to the customer within 10 working days.
Customer Guarantee 7: Notification of Planned Interruptions	The Company will provide the customer with at least two days notice prior to turning off power for planned interruptions.

Note: See Rules for a complete description of terms and conditions for the Customer Guarantee Program.

1.2 PacifiCorp Performance Standards

Network Performance Standard 1: Improve System Average Interruption Duration Index (SAIDI)	The Company will maintain its SAIDI commitment target through March 31, 2008.
Network Performance Standard 2: Improve System Average Interruption Frequency Index (SAIFI)	The Company will maintain its SAIFI commitment target through March 31, 2008.
Network Performance Standard 3: Improve Under Performing Circuits	The Company will reduce by 20% the circuit performance indicator (CPI) for a maximum of five under performing circuits on an annual basis within five years after selection.
Network Performance Standard 4: Supply Restoration	The Company will restore power outages due to loss of supply or damage to the distribution system on average to 80% of customers within three hours.
Customer Service Performance Standard 5: Telephone Service Level	The Company will answer 80% of telephone calls within 30 seconds. The Company will monitor customer satisfaction with the Company's Customer Service Associates and quality of response received by customers through the Company's eQuality monitoring system.
Customer Service Performance Standard 6: Commission Complaint Response/Resolution	The Company will a) respond to at least 95% of non-disconnect Commission complaints within three working days and will b) respond to at least 95% of disconnect Commission complaints within four working hours. The Company will c) resolve 95% of informal Commission complaints within 30 days.

Note:

- *Performance Standards 1, 2 & 4 are for underlying performance days and exclude those classified as Major Events.*

1.3 Reliability Definitions and Service Territory

This section will define the various terms used when referring to interruption types, performance metrics and the internal measures developed to meet its performance plans. A map of PacifiCorp service territory is included.

Interruption Types

Below are the definitions for interruption events. For further details, refer to IEEE P1366-2003[3] Standard for Reliability Indices.

Sustained Outage
A sustained outage is defined as an outage of equal to or greater than 5 minutes in duration.

Momentary Outage
A momentary outage is defined as an outage of less than 5 minutes in duration. PacifiCorp has historically captured this data using substation breaker fault counts.

Reliability Indices

SAIDI
SAIDI (sustained average interruption duration index) is an industry-defined term to define the average duration summed for all sustained outages a customer experiences in a given time-frame. It is calculated by summing all customer minutes lost for sustained outages (those exceeding 5 minutes) and dividing by all customers served within the study area. When not explicitly stated otherwise, this value can be assumed to be for a one-year period.

Daily SAIDI
In order to evaluate trends during a year and to establish Major Event Thresholds, a daily SAIDI value is often used as a measure. This concept was introduced in IEEE Standard P1366-2003. This is the day's total customer minutes out of service divided by the static customer count for the year. It is the total average outage duration customers experienced for that given day. When these daily values are accumulated through the year, it yields the year's SAIDI results.

SAIFI
SAIFI (sustained average interruption frequency index) is an industry-defined term that attempts to identify the frequency of all sustained outages that the average customer experiences during a given time-frame. It is calculated by summing all customer interruptions for sustained outages (those exceeding 5 minutes in duration) and dividing by all customers served within the study area.

CPI99
CPI99 is an acronym for Circuit Performance Indicator, which uses key reliability metrics (such as SAIDI and SAIFI) to identify underperforming circuits. It excluded Major Event and Loss of Supply or Transmission outages.

CPI05
CPI05 is an acronym for Circuit Performance Indicator, which uses key reliability metrics (such as SAIDI and SAIFI) to identify underperforming circuits. Unlike CPI99 it includes Major Event and Loss of Supply or Transmission outages.

[3] P1366-2003 was adopted by the IEEE Commissioners on December 23, 2003. The definitions and methodology detailed therein are now industry standards.

Performance Types & Commitments

PacifiCorp recognizes two categories of performance: underlying performance and major events. Major events represent the atypical, with extraordinary numbers and durations for outages beyond the usual. Ordinary outages are incorporated within underlying performance. These types of events are further defined below.

Major Events

A Major Event is defined as a 24-hour period where SAIDI exceeds a statistically-derived threshold value, Reliability Standard IEEE P1366-2003.

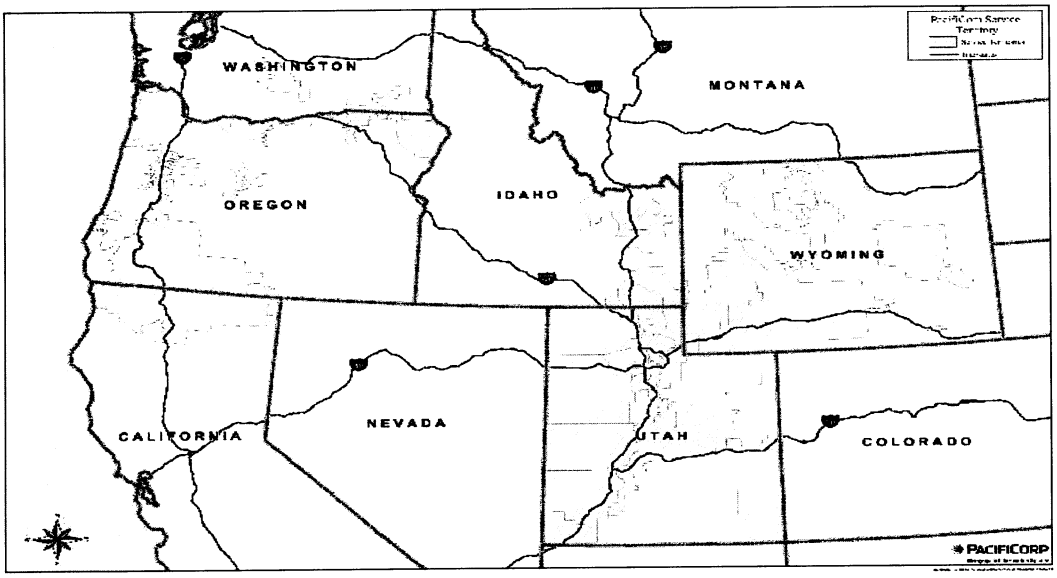
Underlying Events

Within the industry, there has been a great need to develop methodologies to evaluate year-on-year performance. This has led to the development of methods for segregating outlier days, via the approaches described above. Those days which fall below the statistically-derived threshold represent "underlying" performance, and are valid (with some minor considerations for changes in reporting practices) for establishing and evaluating meaningful performance trends over time.

Commitment Targets

Because of the benefits that the Company and its customers and regulators experienced from the Service Standards Program, the Company filed and received approval to continue the program through 3/31/2008. From a reliability perspective, the Company continues to develop stretch goals that will deliver important improvements to its customers.

Service Territory Map

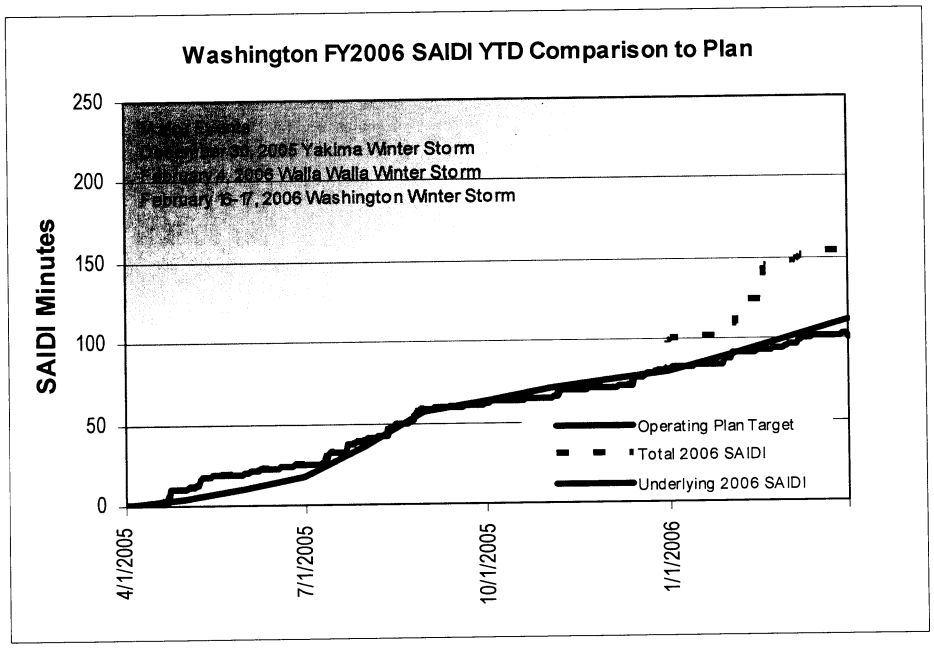


2 PERFORMANCE STANDARDS

2.1 System Average Interruption Duration Index (SAIDI)

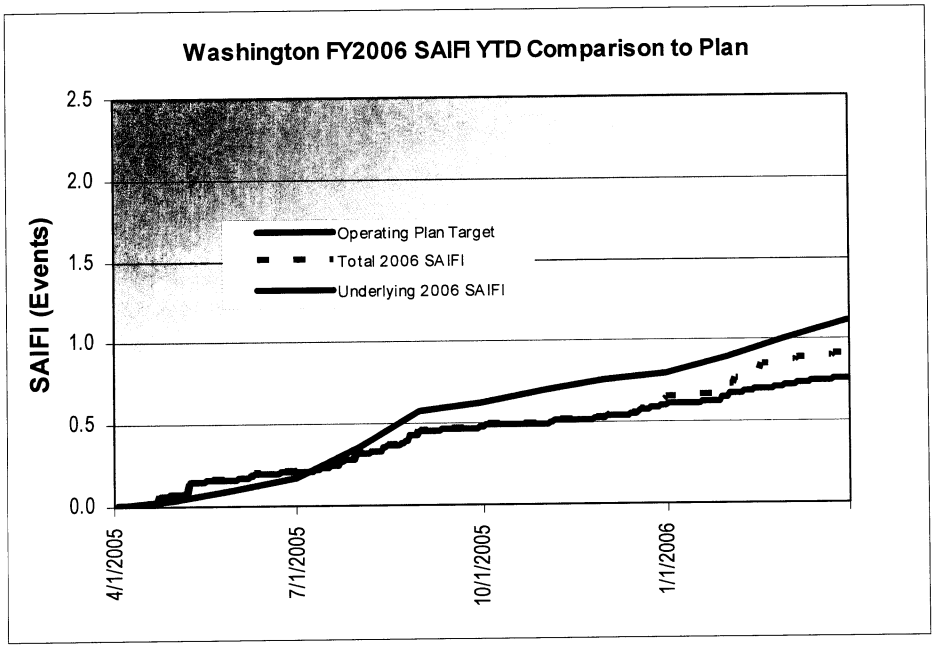
During Fiscal Year 2006, the Company delivered reliability results that far improved upon its Performance Standards Program commitment level. As seen in the following charts, actual results were better than operating plan targets. During Fiscal Year 2006, total reliability (including Major Event days) was impacted by several weather events that qualified as Major Events and were subsequently filed for Major Event exclusion. Underlying reliability (during the spring and summer) was impacted by thunderstorm and heat events which were compensated for later in the year by the balance of underlying reliability performance.

	Fourth Quarter ending March 31, 2006			
	Fourth Quarter		Fiscal Year	
	SAIDI Actual	SAIDI Plan	SAIDI Actual	SAIDI Plan
Washington	18	29	100	111



2.2 System Average Interruption Frequency Index (SAIFI)

	Fourth Quarter ending March 31, 2006			
	Fourth Quarter		Fiscal Year	
	SAIFI Actual	SAIFI Plan	SAIFI Actual	SAIFI Plan
Washington	0.151	0.3	0.8	1.1



2.3 Operating Area Metrics

Washington Operating Area Performance for FY2006 is listed in the table below.

FY2006 thru Qtr 4	Major Events Included		Major Events Excluded	
	SAIDI	SAIFI	SAIDI	SAIFI
SUNNYSIDE	153	0.834	85	0.668
WALLA WALLA	177	1.402	105	1.139
YAKIMA	146	0.766	108	0.669

2.4 Areas of Greatest Concern

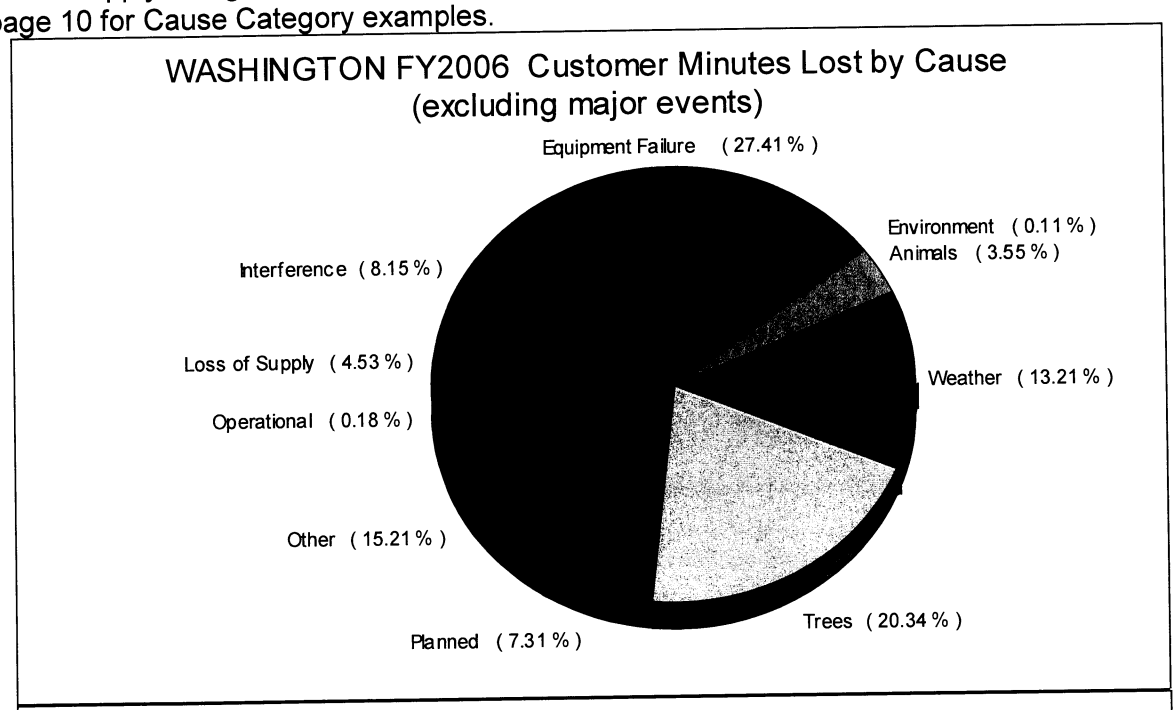
In general, across the state, reliability has continued to center on reducing the incidence of momentary and sustained outages. Primarily, this has happened by greater focus on "zones of protection" with protection sectionalization. Such activities as increased tap fusing, replacement of hydraulic reclosers (with the capability of coordinating with circuit breaker protection) and installation of additional line reclosers has reduced the frequency of outages. Additionally, efforts have been expended to continue animal protection to eliminate animal-caused outages. Further, additional focus on hardening the system via tactical application of hot spot vegetation and replacement of mechanically stressed electrical structures, such as weakened crossarms. Lastly, the Company piloted installation of several tree-wire projects, intended to provide greater resilience to limb, branch and small animal contact across phases of the conductors. Much was learned during these pilot installations; the particular projects experienced several start-up challenges that have led to further refinements in subsequent tree-wire projects.

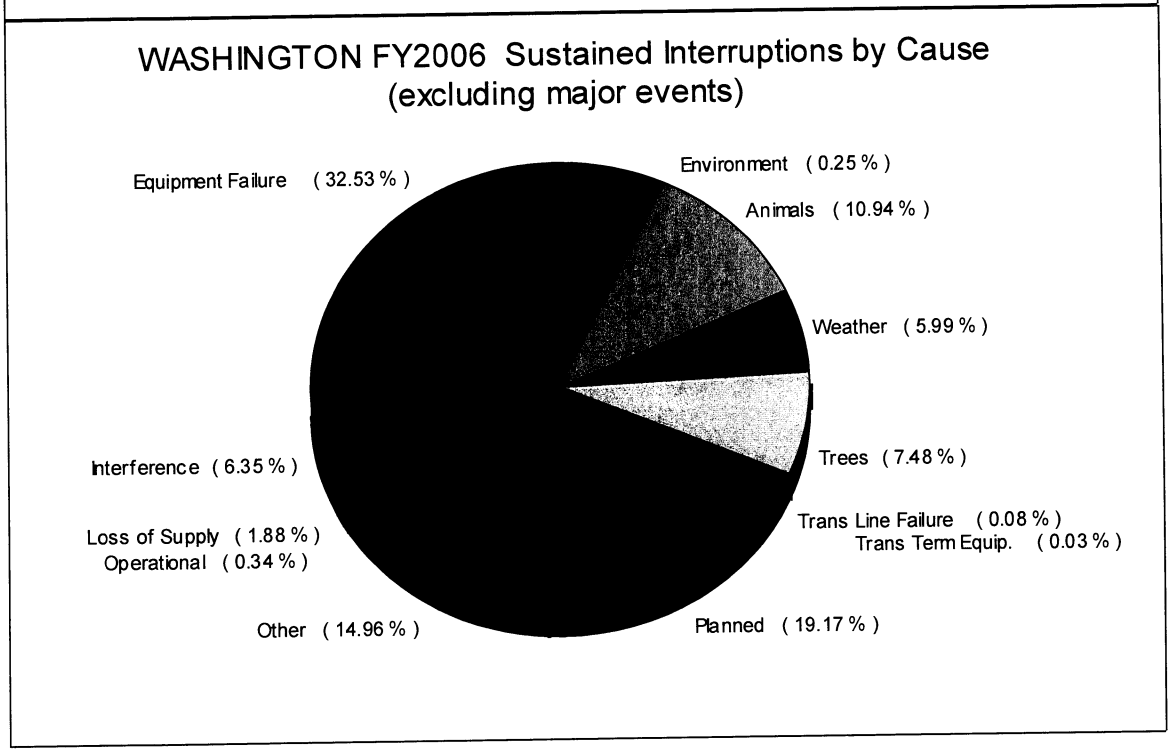
See Appendix A for graphical depictions of outage frequency and duration for the state, operating areas and selected circuits during the reporting period.

Circuit	Actions	Status
5Y149	Fuse coordination review	Winter 2006
	Being reviewed for applicability for recloser installation	Spring 2007
5Y100	Targeted cable replacement project	Winter 2006
5Y357	Fuse coordination review	Underway
	Fuse coordination implemented	Winter 2007
	Being reviewed for applicability for recloser installation	Spring 2007
5Y380	Fuse coordination review	Winter 2006
	Reframe tap line construction	Completed
	Replace hydraulic reclosers with electronic reclosers	Summer 2007
5W121	Reconductor feeder tie between circuit & 5W16 & 5W19	Winter 2007
5Y437	Replace poles (damaged during grass fire), rebuild ¼ mile mainline	Winter 2007
	Fuse coordination review	Fall 2006
	Fuse coordination implementation	Winter 2006

2.5 Cause Code Analysis

The charts below show customer minutes lost by cause category and sustained interruptions by cause category. Customer minutes lost is directly related to SAIDI (the average outage duration for a customer), while sustained interruptions depict the total number of outages by their causes. Certain types of outages typically result in a large amount of customer minutes lost, but are infrequent, such as Loss of Supply outages. Others tend to be more frequent, but result in few customer minutes lost. See page 10 for Cause Category examples.





Cause Category	Description and Examples
Environment	Contamination or Airborne Deposit (i.e., salt, trona ash, other chemical dust, sawdust, etc.); corrosive environment; flooding due to rivers, broken water main, etc.; fire/smoke related to forest, brush or building fires (not including fires due to faults or lightning).
Weather	Wind (excluding windborne material); snow, sleet or blizzard; ice; freezing fog; frost; lightning.
Equipment Failure	Structural deterioration due to age (incl. pole rot); electrical load above limits; failure for no apparent reason; conditions resulting in a pole/cross arm fire due to reduced insulation qualities; equipment affected by fault on nearby equipment (i.e. broken conductor hits another line).
Interference	Willful damage, interference or theft; such as gun shots, rock throwing, etc; customer, contractor or other utility dig-in; contact by outside utility, contractor or other third-party individual; vehicle accident, including car, truck, tractor, aircraft, manned balloon; other interfering object such as straw, shoes, string, balloon.
Animals and Birds	Any problem nest that requires removal, relocation, trimming, etc; any birds, squirrels or other animals, whether or not remains found.
Operational	Accidental Contact by PacifiCorp or PacifiCorp's Contractors (including live-line work); switching error; testing or commissioning error; relay setting error, including wrong fuse size, equipment by-passed; incorrect circuit records or identification; faulty installation or construction; operational or safety restriction.
Loss of Supply	Failure of supply from Generator or Transmission system; failure of distribution substation equipment.
Planned	Transmission requested, affects distribution sub and distribution circuits; Company outage taken to make repairs after storm damage, car hit pole, etc.; construction work, regardless if notice is given; rolling blackouts.
Trees	Growing or falling trees
Other	Cause Unknown; use comments field if there are some possible reasons.

2.6 Reduce CPI for Worst Performing Circuits by 20%

On a routine basis, the Company reviews circuits for performance. One of the measures that it uses is called circuit performance indicator (CPI), which is a blended weighting of key reliability metrics covering a three-year time-frame. The higher the number, the poorer the blended performance the circuit is delivering. As part of the Company's Performance Standards Program, it annually selects a set of Worst Performing Circuits for target improvement. The improvements are to be completed within two years of selection. Within five years of selection, the average performance must improve by at least 20% (as measured by comparing current performance against baseline performance).

WORST PERFORMING CIRCUITS	BASELINE	PERFORMANCE 3/31/06
Circuit Performance Indicator 2005 (CPI05)		
Program Year 7:		
West	210	
Granger	116	
Russell Creek	149	
Tampico	140	
Gore	56	
Program Year 6:		
Nile	383	525
Forney	246	155
Harrah	220	241
Windward	233	220
Ferndale	227	165
Circuit Performance Indicator 1999 (CPI99)		
Program Year 5:		
Reser Road	258	63
East Valley	258	104
Wright	258	33
Jefferson	190	47
Touchet	203	58
Program Year 4:		
Euclid	198	41
Waneta	140	76
Harrah	145	216
Pomeroy	192	74
Windward	74	180
Program Year 3:		
Pine Street	243	58
Bonneview	229	49
Hillside	80	87
18th Avenue	35	11
Taumarson Feeder	152	121

2.7 Restore Service to 80% of Customers within 3 Hours (across 3 years)

WASHINGTON RESTORATIONS WITHIN 3 HOURS					
Fiscal Year/Program to Date = 85%					
FY2006					
April	May	June	July	August	September
97%	89%	81%	94%	80%	78%
October	November	December	January	February	March
71%	79%	87%	86%	85%	71%

2.8 Telephone Service and Response to Commission Complaints

COMMITMENT	GOAL	PERFORMANCE
PS5-Answer calls within 30 seconds	80%	80%
PS6a) Respond to commission complaints within 3 days	95%	100%
PS6b) Respond to commission complaints regarding service disconnects within 4 hours	95%	100%
PS6c) Resolve commission complaints within 30 days	95%	100%

3 CUSTOMER GUARANTEES

3.1 Washington State Customer Guarantee Summary Status

customer*guarantees*

April 2005 - March 2006

Washington

		Fiscal Year 2006				Fiscal Year 2005			
	Description	Events	Failures	% Success	Paid	Events	Failures	% Success	Paid
CG1	Restoring Supply	94,912	0	100.0%	$0	108,523	0	100.0%	$0
CG2	Appointments	3,207	19	99.4%	$950	2,833	11	99.6%	$550
CG3	Switching on Power	5,055	18	99.6%	$900	8,388	35	99.6%	$3,025
CG4	Estimates	603	3	99.5%	$150	1,586	7	99.6%	$350
CG5	Respond to Billing Inquiries	1,619	8	99.5%	$400	1,803	3	99.8%	$150
CG6	Respond to Meter Problems	97	1	98.9%	$50	111	0	100.0%	$0
CG7	Notification of Planned Interruptions	4,231	1	99.9%	$50	4,530	3	99.9%	$150
		109,724	**50**	**99.95%**	**$2,500**	**127,774**	**59**	**99.9%**	**$4,225**

Effective April 1, 2005, a modified customer guarantee program was implemented. The new program streamlines and simplifies the guarantees.

Overall Guarantee performance remains above 99%, demonstrating PacifiCorp's continued commitment to customer satisfaction.

Major Events are excluded from the Customer Guarantees program.

The Customer Guarantee program was highlighted throughout the year in customer communications as follows:

- May and August issues of *Voices* newsletter,
- annual highlights printed on June's billing statement,
- annual report card printed on August's billing statement,
- PacifiCorp's website featured the program during the month of March, and
- each new customer is sent a welcome aboard packet which features the program and how to file a claim.

PACIFICORP
A MIDAMERICAN ENERGY HOLDINGS COMPANY

Washington
"Areas of Greatest Concern"

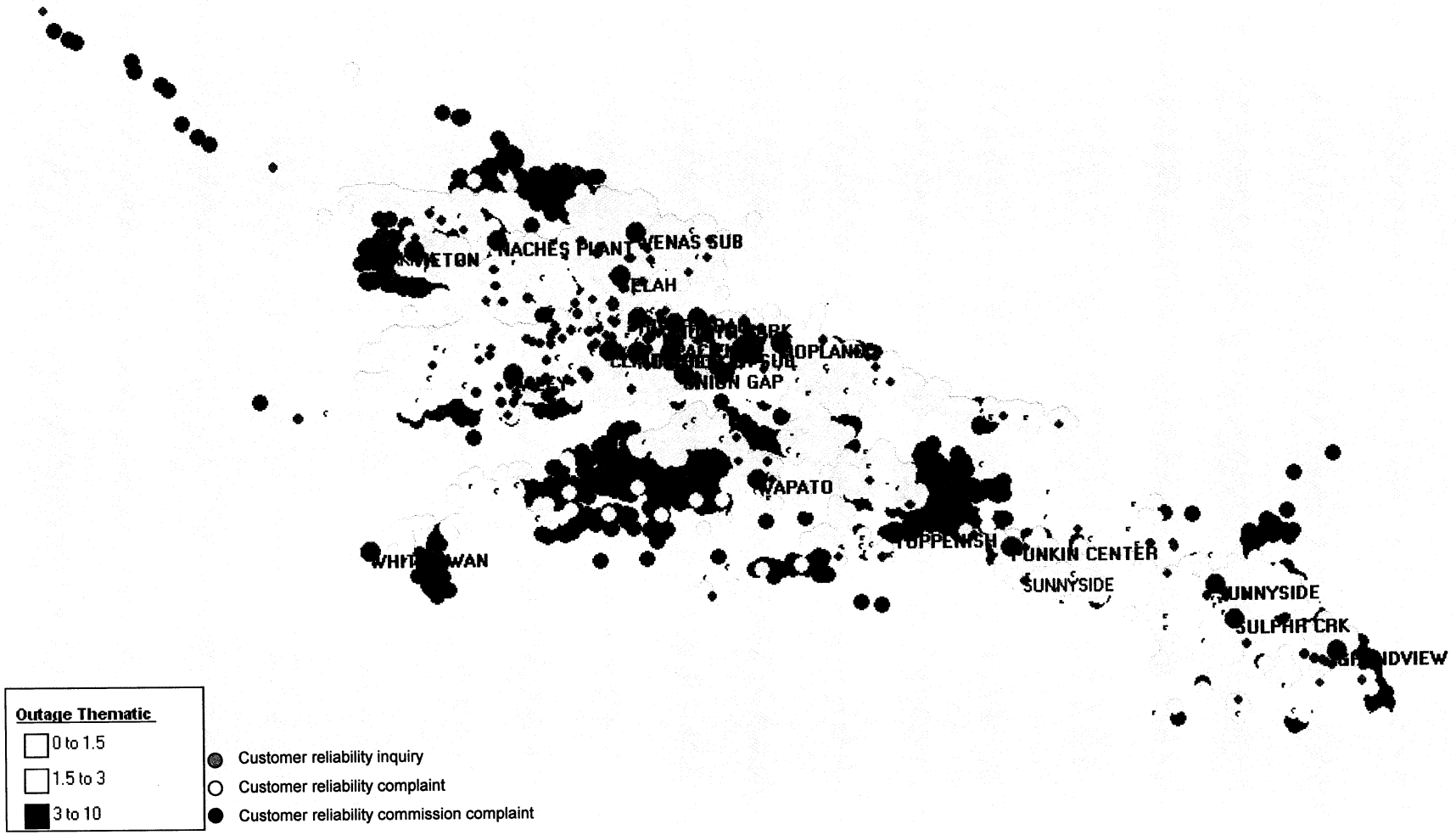
Appendix to
FY2006 Service Quality Review

FY2006 Washington Outage Frequency: Total History

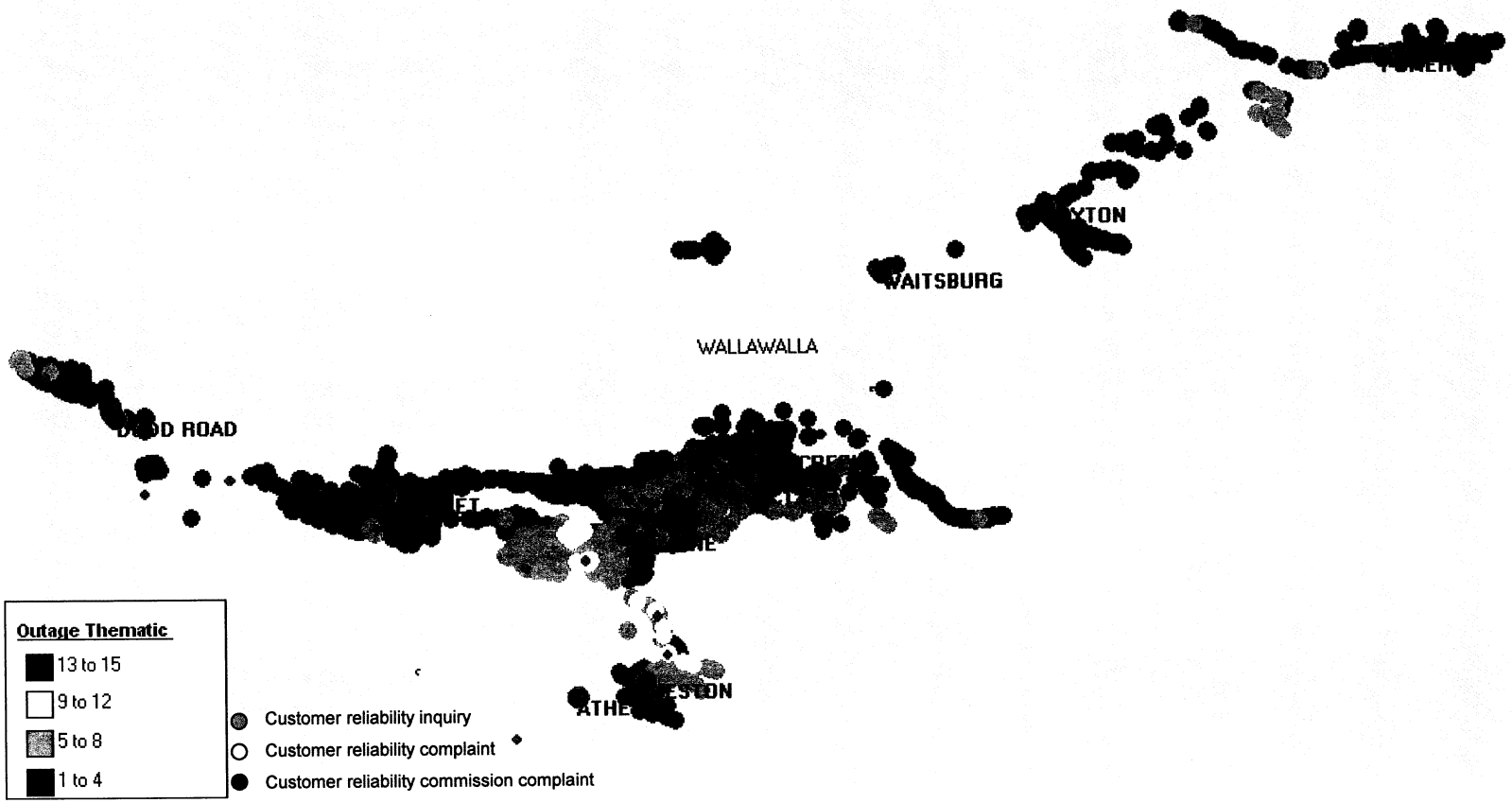
FY2006 Washington Outage Duration (Hrs): Total History

FY2006 Yakima/Sunnyside Outage Frequency: Total History

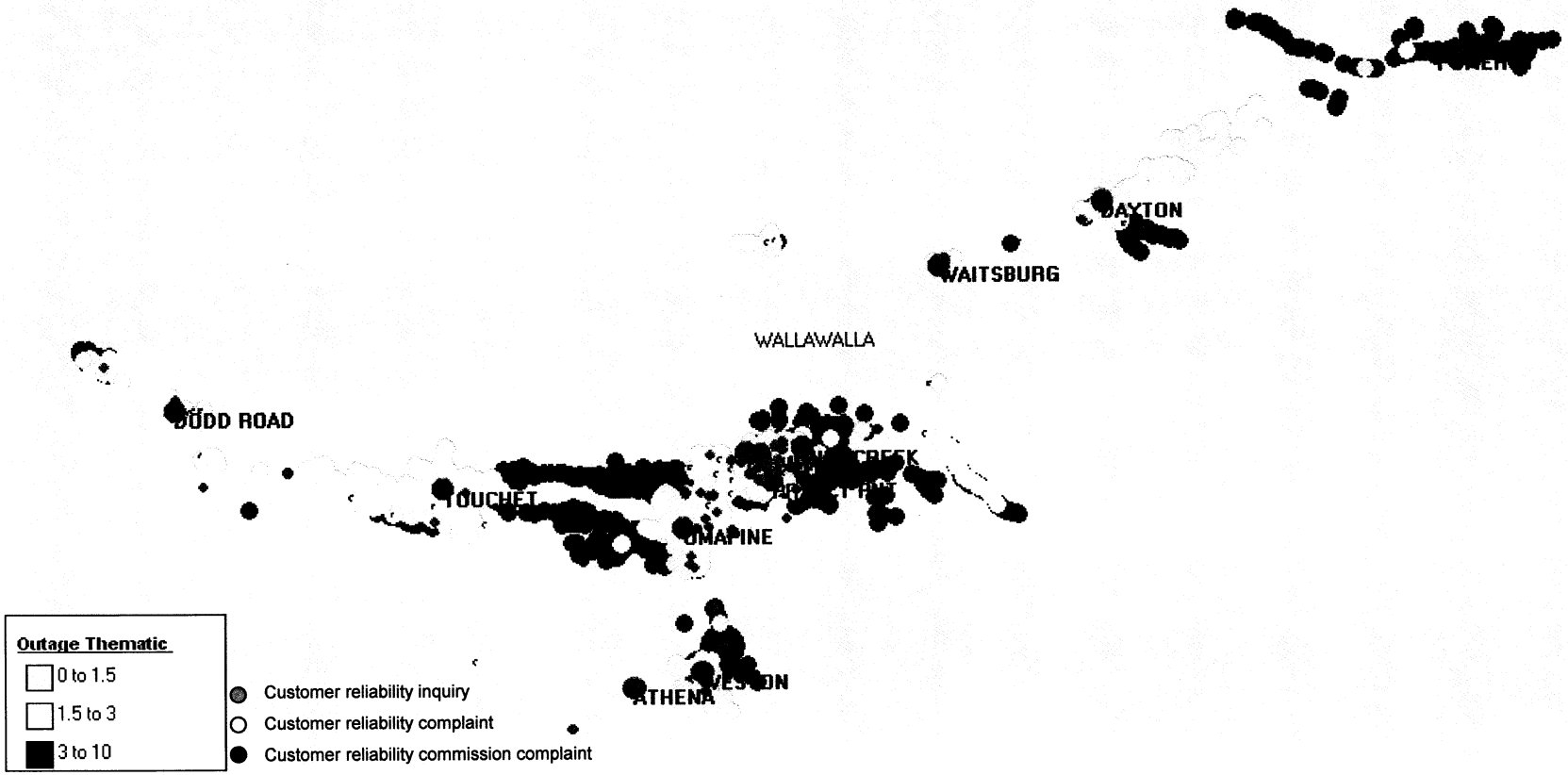
FY2006 Yakima/Sunnyside Outage Duration (Hrs): Total History



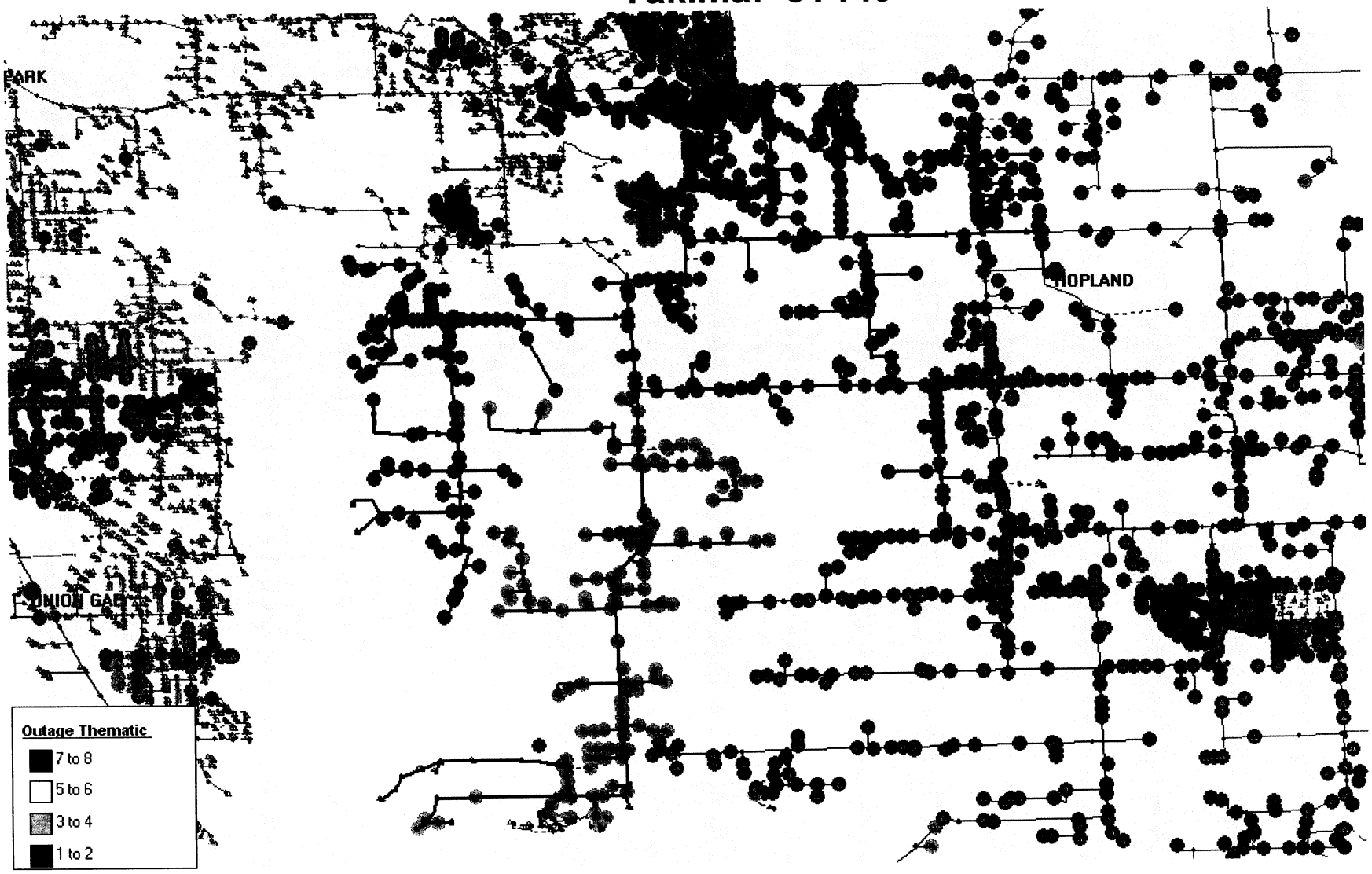
FY2006 Walla Walla Outage Frequency: Total History



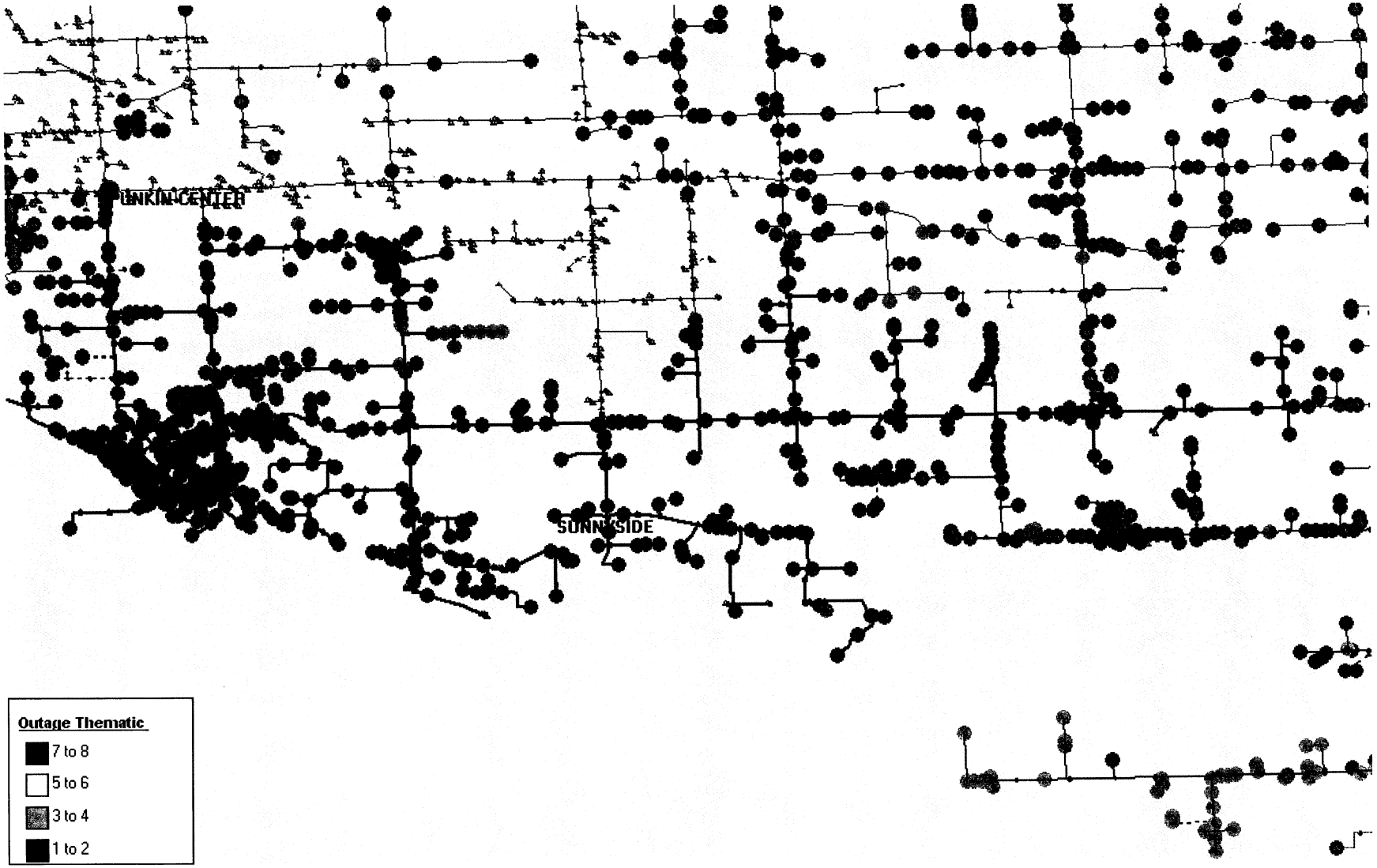
FY2006 Walla Walla Outage Duration (Hrs): Total History



Yakima: 5Y149

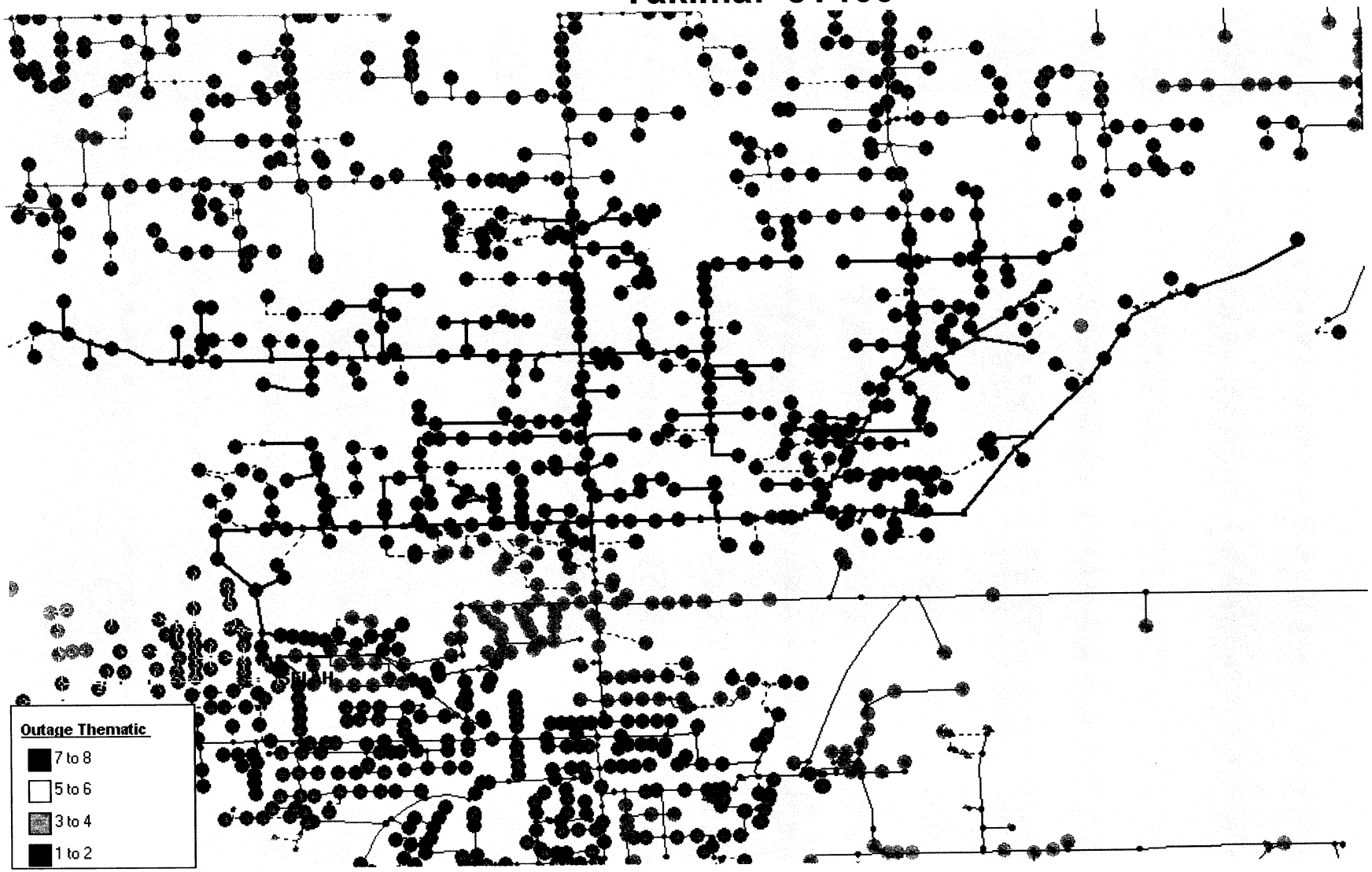


Yakima: 5Y357



Yakima: 5Y380

Yakima: 5Y100



Walla Walla: 5W121

Yakima: 5Y347